

July XX, 2013

Chairman Jeb Hensarling  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Ranking Member Maxine Waters  
House Financial Services Committee  
B301C Rayburn House Office Building  
Washington, D.C. 20515

Chairman Randy Neugebauer  
Subcommittee on Housing and Insurance  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Hensarling, Chairman Neugebauer, and Ranking Member Waters:

The undersigned organizations write to you to express concerns over drastic increases in flood insurance premiums as a result of recent changes to the National Flood Insurance Program (NFIP). Provisions included in the Biggert-Waters Act of 2012 will make flood insurance unaffordable for citizens who built to code and followed the law every step of the way. We urge you to consider amending the legislation to balance fiscal responsibility with premium affordability.

As you are aware, the Biggert-Waters Act phases out grandfathering. This means that properties that were built in accordance with all FEMA required elevations and applicable codes at that time may now be considered out of compliance, through no fault of their own, due to new flood mapping. In some instances, homeowners that have never flooded and built to code are facing over \$28,000 in annual premiums. This drastic increase in premiums will cause property values and assessments to drop to zero, bank mortgages to go into default, local tax bases to erode, and economies to be eviscerated. And ironically, while the intended effect of the removal of grandfathering was to make the NFIP solvent, it will have the opposite effect because homeowners and business owners will be forced to drop out of the program completely.

An amendment passed by the U.S. House of Representatives on June 6, 2013 delaying premium increases for one year is a step in the right direction, as it is abundantly clear that more time and additional actions are needed to ensure continued affordability.

The undersigned organizations support a fully authorized, sustainable, fiscally responsible National Flood Insurance Program. However, fiscal sustainability must be balanced with protecting the businesses and homeowners who built according to code and have followed all applicable laws. Changes made to the National Flood Insurance Program in the Biggert-Waters Act of 2012 threaten to harm the very citizens the program was designed to protect.